Attachment 10: Fund Balance with Treasury
for Working Capital Funds Guidance

For 4th Quarter, FY 2005 Audited Financial Statements (AFS) presentation purposes, the Defense Working Capital Funds (DWCF) reporting entities (Treasury subheads .004/.005) that do not maintain Fund Balance with Treasury (FBWT) at the activity level must transfer current year collections and disbursements of their activity groups to the component level as of September 30, 2005. These transferred amounts will be included in the FBWT amounts reflected in the component column of the Balance Sheet.

In some cases, inception-to-date collections and disbursements are being transferred, rather than current year collections and disbursements. Although this is not the preferred methodology to use, it may be required to transfer all FBWT to the component. The ultimate goal is to report $0 as FBWT for DWCF reporting entities. Once the transfer has taken place, an e-mail must be forwarded to Patricia Lacey at **Patricia.Lacey@dfas.mil** listing the amount transferred and whether this transfer was for current year collections and disbursements or inception-to-date collections and disbursements.

Journal Entry for DWCF reporting entities:

DR	1010	Fund Balance with Treasury (Disbursements)
DR/CR	1010	Fund Balance with Treasury (Cash Transferred In or Out During Fiscal Year)
DR/CR	5730	Financing Sources Transferred Out Without Reimbursement
CR	1010	Fund Balance with Treasury (Collections)

Journal Entry for component level:

DR	1010	Fund Balance with Treasury (Collections)
DR/CR	1010	Fund Balance with Treasury (Cash Transferred In or Out During Fiscal Year)
DR/CR	5720	Financing Sources Transferred In Without Reimbursement
CR	1010	Fund Balance with Treasury (Disbursements)

For DWCF Accounting Report (Monthly) 1307 (AR (M) 1307) reporting purposes, these DWCF reporting entities should report funds collected and funds disbursed vice FBWT on the September 2005 AR (M) 1307. Therefore, there will be reconciling items for collections and disbursements between AR (M) 1307 and the AFS at these levels for those statements.